

Company Registration No. SC205193 (Scotland)

COMPASS BOX DELICIOUS WHISKY LIMITED

Unaudited financial statements

For the year ended 31 March 2016

Pages for filing with registrar

COMPASS BOX DELICIOUS WHISKY LIMITED

COMPANY INFORMATION

Directors	J Glaser J Lambert J Driver H Ortiz A Rutherford
Secretary	I Hutchison
Company number	SC205193
Registered office	4th Floor 115 George Street Edinburgh EH2 4JN
Accountants	WSM Advisors Limited Connect House 133-137 Alexandra Road Wimbledon London SW19 7JY

COMPASS BOX DELICIOUS WHISKY LIMITED

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COMPASS BOX DELICIOUS WHISKY LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Notes	£	2016 £	2015 £
Fixed assets				
Property, plant and equipment	3		143,276	56,562
Investments	4		2	1
			<u>143,278</u>	<u>56,563</u>
Current assets				
Inventories		1,420,653	1,344,827	
Trade and other receivables	5	768,059	619,687	
Cash at bank and in hand		58,093	295,679	
		<u>2,246,805</u>	<u>2,260,193</u>	
Current liabilities	6	(850,316)	(577,501)	
Net current assets			<u>1,396,489</u>	<u>1,682,692</u>
Total assets less current liabilities			<u>1,539,767</u>	<u>1,739,255</u>
Non-current liabilities	7		(698,396)	(619,542)
Net assets			<u><u>841,371</u></u>	<u><u>1,119,713</u></u>
Equity				
Called up share capital	8		2,172	2,127
Share premium account			2,182,487	2,153,582
Retained earnings			(1,343,288)	(1,035,996)
Total equity			<u><u>841,371</u></u>	<u><u>1,119,713</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 March 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 25 October 2016 and are signed on its behalf by:

J Glaser
Director

Company Registration No. SC205193

COMPASS BOX DELICIOUS WHISKY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

1 Accounting policies

Company information

Compass Box Delicious Whisky Limited is a private company limited by shares incorporated in Scotland. The registered office is 4th Floor, 115 George Street, Edinburgh, EH2 4JN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2016 are the first financial statements of Compass Box Delicious Whisky Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Design costs	A straight line provision based on the directors' assessment of the specific products' life
Fixtures, fittings & equipment	4 years straight line
Software & website costs	3 years straight line

COMPASS BOX DELICIOUS WHISKY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2016

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Inventories

Inventories are stated at the lower of cost, using the first in first out method, and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

COMPASS BOX DELICIOUS WHISKY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2016

1 Accounting policies (Continued)

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

COMPASS BOX DELICIOUS WHISKY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2016

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

COMPASS BOX DELICIOUS WHISKY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2016

1 Accounting policies

(Continued)

1.12 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using an appropriate pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 9 (2015 - 9).

3 Property, plant and equipment

	Plant and machinery etc £
Cost	
At 1 April 2015	428,686
Additions	138,798
	<hr/>
At 31 March 2016	567,484
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Depreciation and impairment	
At 1 April 2015	372,124
Depreciation charged in the year	52,084
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At 31 March 2016	424,208
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Carrying amount	
At 31 March 2016	143,276
	<hr/>
At 31 March 2015	56,562
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COMPASS BOX DELICIOUS WHISKY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2016

4 Fixed asset investments

	2016	2015
	£	£
Investments	2	1

Investments in subsidiaries is measured at cost less impairment losses.

Movements in non-current investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2015	1
Additions	1
At 31 March 2016	2
Carrying amount	
At 31 March 2016	2
At 31 March 2015	1

5 Trade and other receivables

	2016	2015
	£	£
Amounts falling due within one year:		
Trade receivables	608,185	481,422
Amounts due from group undertakings	54,951	-
Other receivables	104,923	138,265
	768,059	619,687

6 Current liabilities

	2016	2015
	£	£
Bank loans and overdrafts	255,106	265
Trade payables	440,221	450,190
Other taxation and social security	30,643	11,378
Other payables	124,346	115,668
	850,316	577,501

The bank loans and overdrafts are unsecured.

COMPASS BOX DELICIOUS WHISKY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2016

7 Non-current liabilities

	2016	2015
	£	£
Other payables	698,396	619,542
	<u> </u>	<u> </u>

Other payables relates to an unsecured loan and the directors consider that the carrying amount approximates to the amortised cost value.

8 Called up share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
1,065 "A" Ordinary shares of £1 each	1,065	1,065
1,061 "B" Ordinary shares of £1 each	1,061	1,061
1 "C" Ordinary shares of £1 each	1	1
45 "AA" Ordinary shares of £1 each	45	-
	<u> </u>	<u> </u>
	2,172	2,127
	<u> </u>	<u> </u>

9 Related party transactions

During the year the company received goods and services to a value of £649,932 from Compass Box USA LLC. Also, the company advanced Compass Box USA LLC £54,951. At the end of the year the company was owed £54,951 by Compass Box USA LLC. Compass Box USA LLC is a wholly owned subsidiary of the company.

10 Directors' transactions

Remuneration paid to directors during the year was £69,674 (2015 - £70,629).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.